

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 664 - SB 604

April 16, 2019

SUMMARY OF ORIGINAL BILL: Requires mandatory attendance in an alternative school for students in grades seven through twelve who have been expelled. Specifies that attendance in an alternative school is voluntary for students in grades one through six who have been suspended or expelled and for students in grades seven through twelve who have been suspended. Specifies that students attending an alternative school are subject to all the rules of the local board of education. Requires the governing body of a public charter school establish an alternative educational setting for students who have been suspended from the regular school program. Prohibits a charter school from expelling a student until the student has been placed in an alternative educational setting and requires the governing body of a local charter school to adopt policies consistent with the proposed legislation.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures – Exceeds \$3,000,000

Increase Local Expenditures – Exceeds \$1,000,000*

SUMMARY OF AMENDMENT (008147): Deletes all language after the enacting clause and rewrites the bill such that the only substantive changes are to: (1) add “alternative school program in a school setting” as an option for a student to participate in who has been suspended or expelled; (2) authorize a director of schools and a public charter school governing body to use discretion on a case-by-case basis to determine if attendance in an alternative school or alternative school program in a school setting is mandatory for a student who is expelled for a violation of a zero tolerance policy; (3) require the governing body of a public charter school to establish an alternative program in a school setting for students; (4) authorize the governing body of a public charter school, beginning with the 2020-21 school year, to require a student who has been suspended or expelled to attend an alternative public charter school; (5) authorize a sponsor to apply to the Commission to establish an alternative public charter school; (6) require, beginning with the 2020-21 school year, that an alternative public charter school can only enroll students who are suspended or expelled from a public charter school in this state if there is a mutually acceptable agreement with the governing body of an alternative public charter school and the Commission; (7) establish certain requirements related to establishing a charter school; and (8) to require a public charter school and local board of education to enter into a mutually acceptable agreement to accept students who have been suspended or expelled from the public charter school into the local board of education’s alternative school.

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FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- In FY19-20, there are 22 alternative schools throughout the state.
- Tennessee Code Annotated § 49-6-3402 stipulates that student attendance in an alternative school is voluntary unless a local board adopts a policy making it mandatory. In addition, local boards of education may enter into agreements to send students from any school system to any alternative school already in operation.
- In FY17-18, there were approximately 2,008 students expelled. It is unknown how many of these expelled students were in grades seven through twelve; the extent to which local boards of education have adopted policies mandating that such students attend an alternative school; the extent to which local boards of education have entered into agreements to send expelled students to alternative schools; and the extent to which expelled students in grades seven through twelve voluntarily attended an alternative school.
- The proposed legislation will require mandatory attendance in alternative school for all students in grades seven through twelve who are expelled.
- Tennessee Code Annotated § 49-6-3402 requires local boards of education to establish at least one alternative school to be available for students in grades seven through twelve who have been expelled or suspended.
- The fiscal impact of this legislation is dependent on multiple unknown factors, including but not limited to, the number of expelled students in grades seven through twelve that will be required to attend an alternative school under the provisions of this legislation; the number of expelled students in grades seven through twelve who voluntarily attend an alternative school under current law; the extent of new facilities that may need to be constructed, if any; the extent of faculty and personnel that would be required to educate an additional unknown number of students, the extent of facilities management for any such new alternative schools; and the extent of required funding that would be generated by the BEP funding formula taking the provisions of this legislation into account.
- While the fiscal impact of this legislation to state and local government cannot be determined with specificity; it is reasonably estimated that the recurring increase in state expenditures would exceed \$3,000,000 per year; and the mandatory recurring increase in local expenditures would exceed \$1,000,000 per year.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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